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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 31, 2013

Frank Filas
Energy Fuels Resources Corporation
225 Union Boulevard, Suite 600
Lakewood, Colorado 80228

Subject: Conditional Approval of Amended Notice of Intention to Commence Small Mining Operations, Colorado Plateau Partners LLC, Sage Mine, S/037/0058, San Juan County, Utah

Dear Mr. Filas:

The Division of Oil, Gas and Mining finds the amended Notice of Intention to Commence Small Mining Operations (NOI) for the Sage mine complete conditional on receipt of adequate surety. The total surety required is \$30,200.00 for a three-year escalation or \$30,900.00 for a five-year escalation.

The surety could be provided by supplying a rider to the surety bond provided for the Sage Mine exploration project (E/037/0188). This rider would need to have the name and permit number for the Sage mine. The addition of the two surety amounts yields a surplus surety amount of **\$6,240.00** if you choose a three-year escalation schedule or **\$5,540.00** if you choose a five-year escalation schedule. Depending on which bond escalation schedule you choose to implement, you may submit a MR-SITE bond release form for the appropriate amount.

Alternatively, you could submit a new surety bond, a certificate of deposit, a letter of credit, or cash for either the increased amount of surety (\$9400.00 or \$10,100.00) or the entire amount.

Once the Division issues final approval of the amendment, the file for the exploration file will be closed and retired.

In addition to the surety requirements, please address the following issues before mining resumes:

- Any additional proposed disturbance not identified in the conditionally approved amended NOI must be identified in a subsequent NOI amendment prior to creating

this disturbance, and the bond amount adjusted accordingly, if needed. This will include any proposed facilities and mine dump expansion.

- Any potential discharges of water from the mine will need to be identified and quantified to the extent practical. (Item 4 of the Operation Plan.) A sampling and analysis plan will also be required with the NOI amendment showing this discharge.
- Notify the Division 30 days in advance of when mining activities will resume.

The approval or acceptance of a complete NOI does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations.

Enclosed please find a copy of the conditionally approved amendment to the NOI. Please contact Mike Bradley at 801-538-5332 or me at 801-538-5261 if you have questions or concerns regarding this letter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul B. Baker", followed by a horizontal line.

Paul B. Baker
Minerals Program Manager

PBB: mpb: eb
Enclosure: Copy of approved NOI, MR-RC
cc: Ted McDougall, BLM, Monticello FO (tmcdouga@blm.gov)
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